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SUBJECT: ZIM NOTES 04-09-2009

[1](#)1. SUMMARY

Topics of the week:

- Government Concludes Retreat...
- More Media Space?...
- Parliament Adjourns Until May...
- First Constitutional Deadline Approaching...
- Prison Wardens Arrested, Beaten, Released...
- Three Remaining Bombers Denied Bail by Chief Justice...
- National Healing Conference Turns Violent...
- Students Arrested While Protesting High Tuition...
- Bullish Outlook For Gold Though More Reforms Needed...
- Bearish on Nickel...
- Ban on Trade in Marange Diamonds...
- Prices of Basics Continue to Fall...

On the Political/Social Front

[1](#)2. Government Concludes Retreat... All but two GOZ ministers participated in a three-day retreat last weekend in Victoria Falls. Ministers from both ZANU-PF and MDC told us the exercise had been highly successful. Ministers divided ministries into five related clusters and began drawing up 100-day plans.

[1](#)3. More Media Space?... At the Victoria Falls retreat, Minister of Justice Patrick Chinamasa announced that efforts should be made to open media space. Separately, plans are being made to begin publishing an independent daily newspaper and to start an independent radio station. Members of the Media Commission, contemplated by Amendment 19, are supposed to be appointed by the end of the month. Whether any or all of this happens will be an important benchmark in measuring the progress of the new government.

[1](#)4. Parliament Adjourns Until May... Parliament announced it would

adjourn until May 12 due primarily to a lack of funds. MPs have not been receiving their travel and housing allowances since Parliament came back in session in January, forcing members to pay transport and housing costs out of pocket. MPs have also not received their vehicles—a traditional perk to allow MPs to travel between Harare and their home districts—although Reserve Bank Governor Gideon Gono offered MPs secondhand, central bank vehicles, leading Finance Minister Tendai Biti to demand that Gono cease engaging in "quasi-fiscal activities." See Harare 288.

¶5. First Constitutional Deadline Approaching... Under the terms of last September's Inter-party Political Agreement, a Constitutional Select Committee (CSC) must be set up by next week. Minister of Constitutional and Parliamentary Affairs Eric Matinenga told us this deadline would be met. Although Matinenga and the MDC had argued that the Committee should be chaired by an independent non-parliamentarian, it will be chaired by a member of Parliament. The constitution making process has drawn criticism from civil society members who argue that, despite assurances from Matinenga that civil society would have input, the process is not being "people driven."

¶6. Prison Wardens Arrested, Beaten, Released... Five prison wardens were arrested on April 3 on charges of violating the Official Secrets Act. The arrests appeared to come as retaliation for facilitating the filming of the damning SABC documentary on Zimbabwean prisons, "Hell Hole." Four of the wardens were beaten by police while in custody. After police searched their homes and could not find evidence against them, three were released without charge and two were released on bail on April 7 for unrelated

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charges. "Hell Hole" proved so popular that SABC re-aired it this week.

¶7. Three Remaining Bombers Denied Bail by Chief Justice... On April 6, the Chief Justice of the Supreme Court denied bail to three men (two MDC activists and a journalist) abducted late last year. The men were seized and subsequently accused of involvement in the bombing of police stations in 2008. Their lawyers have filed another urgent application in the High Court to seek their release.

¶8. National Healing Conference Turns Violent... Fighting between MDC and ZANU-PF youths broke out during a conference organized by the Ministry of Youth, Development, Indigenization and Empowerment at the Rainbow Towers Hotel in Harare. Youths in attendance told us that discussions on jobs, education, and HIV/AIDS were constructive. However, when the conversation turned to national healing and the constitution, ZANU-PF youths became defensive, saying that there was no need to punish perpetrators of violence in 2008. Tensions escalated between ZANU-PF and MDC youth. ZANU-PF Minister Saviour Kasukuwere and MDC-T Deputy Minister Thamsanqa Mahlangu tried to calm the 100-person crowd. Riot police arrived to break up the fights. Some windows were broken, but no one was seriously injured.

¶9. Students Arrested While Protesting High Tuition... Seven students were arrested at the National University of Science and Technology (NUST) in Bulawayo on Monday, following a demonstration over fees, and are still being detained at the central police station. The group was arrested following accusations that they stoned a car belonging to a visitor on campus during the demonstration. The students deny the accusation and say they protested peacefully against exorbitant fees that are beyond the means of most parents. Last week the University of Zimbabwe failed to open after over 70 percent of students failed to pay the fees which are as high as US\$800 per term for some courses.

On the Economic and Business Front

¶10. Bullish Outlook For Gold Though More Reforms Needed... Following liberalization of the gold sector, producers believe that

output will rise substantially from the current level of around 200 kg/month to as high as 1,000 kg/month by the end of 2009. Most major mines expect to be operational within three to six months provided government continues to implement market-friendly policies and amends the Gold Act in line with the recently announced price and marketing reforms.

¶11. But Bearish on Nickel... The plunge in the world nickel price forced Bindura Nickel Corporation (BNC) to place its nickel mines on care and maintenance in late 2008 and its smelter and refinery on the same regime last month. BNC has also shelved plans for a US\$100 million investment in a third nickel mine in Zimbabwe. Nickel had been one of Zimbabwe's top exports to the U.S. Qbeen one of Zimbabwe's top exports to the U.S.

¶12. Ban on Trade in Marange Diamonds... The World Federation of Diamond Bourses this week announced a ban by its 28 member countries on trading in diamonds from Zimbabwe's disputed Marange/Chiadzwa deposit. These fairly easily identifiable rough diamonds lack Kimberley Process Certificates. Discussion is underway within the Kimberley Process on a full review visit to Zimbabwe in the coming weeks.

¶13. Prices of Basics Continue to Fall... Prices of most basic commodities keep falling in Zimbabwe as more players enter the market. The price of the staple maize meal, for example, fell from US\$5/10kg bag two weeks ago to US\$3.80 during the week under review. Our own calculation of the prices of eight basic food items for a

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low-income family of five, using the lowest prices on the market, show an expenditure of about US\$46/month, down from US\$58 two weeks ago. However, when transportation, rent and school fees are included, the monthly expenditure rises well above the civil servants' US\$100 allowance, which is being used as a benchmark in wage and salary negotiations. Declines in non-basic goods have not been as dramatic. Harare-based economist John Robertson said figures from the Central Statistical Office sho(&z(44lzf Finance... The Minister of Finance is my boss." -- RBZ Governor Gideon Gono speaking at the first joint press conference between him and Finance Minister Tendai Biti on April 8.

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